



United States Department of Agriculture
Office of the Chief Financial Officer
National Finance Center
Government Employees Services Division

Functional Requirements Document (FRD)

Project# 39891	Project Title: NFC TSP Spillover Method for Catch-Up Contributions	Date Prepared: 10/27/2020
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Version 2.0

As of: 12/1/2020

Scope:	<p>The scope of this project is to eliminate the completion of Forms TSP-1-C and TSP-U-1-C (Federal ONLY Catch-Up Contribution Election), (Document Type 126) to participate in TSP Catch-up. Automatically contribute funds to TSP Catch-up once regular contribution limits have been met provided the employee is turning age 50 or older and not exceed the current IRS TSP Catch-up limit. Agency matching is included for catch-up contributions.</p>
Assumptions:	<p>There will be two different TSP limits for each calendar year based upon an employees age. The limit is currently \$19,500 for employees <50 years of age and currently \$26,000 for employees who turn 50 years of age anytime during the current calendar year.</p> <p>Implementation of this project is scheduled for PP26/2020.</p> <p>Employees/Agency will be responsible for updating TSP contribution amounts via Front End system submission of Document Type 125.</p> <p>No change to NFC's order of precedence.</p> <p>There will be no change to disbursing process or reconciliation reports used by the NFC GESD Certification and Disbursement Branch.</p> <p>There will be no system changes related to any non-federal plans. The IRS limits will continue to be enforced on non-federal plans via our current process, regardless of whether or not the employee has also elected federal plans.</p> <p>At the end of pay period 25/2020 processing, BEAR will continue its normal processing and remove all catch-up records from the database.</p> <p>End date table 083 records for plan code 06 & 09 last day of PP25/2020.</p> <p>Any 126 documents received with an effective date of PP26, 2020 and beyond will not be processed.</p> <p>NFC Payroll Processing Operations use of plan codes 06 & 09 will only be available for its normal processing for credit adjustments.</p> <p>12/1/2020, FRD V2 modifications for EPIC, EPP, and EmpowHR are in BOLD.</p>

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Functional Requirements

Payroll Applications Systems Branch (PASB) Requirements

PAYE

System modifications will be needed in PAYE to determine if the employee will reach 50 during the calendar year.

System modifications will be made for the spillover to compute employee deductions for retirement based only on TSP Federal plan codes 01, 02, 98, and 99.

- 01 FEDERAL THRIFT SAVINGS PLAN (FERS)
- 02 FEDERAL THRIFT SAVINGS PLAN (CSRS)
- 98 FERS Roth 401(k)
- 99 CSRS Roth 401(k)

Currently, PAYE computes employee deductions up to IRS maximum limits. However, system modifications will need to be made to change this computation based on the employee's age. Current limits are \$19,500 (MAX-DEFER-AMT) for employees <50 years of age and \$26,000 (combine MAX-DEFER-AMT + CATCH-UP-CONTRIBUTION) for employees who turn 50 years of age anytime during the current calendar year.

Currently, PAYE computes combined employee deductions/agency contributions up to the IRS maximum limit and this computation will need to be modified based on the employee's age. If the employee will turn 50 during the calendar year use the MAX-403B-DED-CONTRI field from table 30. Otherwise, continue to use the MAX-401k-DED-CONTRI field.

If the agency has non-federal plans, the limits will still be enforced as they are currently, and no spillover will occur.

PACS

System modifications will be needed to determine if the employee will reach 50 during the calendar year.

System modifications will be made for the spillover to compute employee/agency contributions for retirement based only on TSP Federal plan codes 01, 02, 98, and 99.

- 01 FEDERAL THRIFT SAVINGS PLAN (FERS)
- 02 FEDERAL THRIFT SAVINGS PLAN (CSRS)
- 98 FERS Roth 401(k)
- 99 CSRS Roth 401(k)

Compute combined employee deductions/agency contributions up to the IRS maximum limit based on the employee's age. If the employee will turn 50 during the calendar year use the MAX-403B-DED-CONTRI field from table 30, else continue to use the MAX-401k-DED-CONTRI field.

If the agency has non-federal plans, the limits will still be enforced as they are currently, and no spillover will occur. These plans need to continue to be incorporated

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into the combined deduction/contribution limits.

For corrected T&As prior to Pay Period 26, 2020, both sides of the transaction will need to be computed the old way. On the file submission to TSP corrected T&As will be merged as follows:

- 06 will merge with plans 01/02
- 09 will merge with plans 98/99

Personnel Applications Systems Branch (PESB) Requirements

System modifications for TSP Spillover will be required to eliminate the ability to process a Document type 126.

Accordingly, PINE/PEPL will add an edit to stop processing of Document Type 126, TSP Over 50 Catchup, with Error Message "Invalid Document Type". The action being processed will go to suspense with error message "059" stating "PLAN CODE NOT IN TMGT".

Administrative Applications Systems Branch (AASB) Requirements

"Not Applicable"

Payroll Web Systems Branch (PWSB) Requirements

EPIC:

- Under Payroll Actions in the Federal Benefit Documents folder, document type 126 Thrift Savings Plan/Roth Catchup will be removed.
- **All 126 documents will be marked for deletion in PP26, 2020 and will be deleted at the end of the processing pay period of PP26, 2020.**
(ex: Incomplete, Suspense, Future, etc.)

My EPP:

In the 'TSP Catch-Up' selection tab on the 'Thrift Savings Plan Catch-Up (Federal and Non-Federal) screen, EPP will be modified with the following:

- **The 'Self-Service' button will be removed.**
- The following statements will replace the current statements for Federal Catch-Up contributions:
 - **TSP Catch-Up contributions will no longer require a separate annual Catch-**

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Up election. To contribute to TSP Catch-Up, participants age 50 and older should add any contributions toward the Catch-Up limit to their TSP contributions. You must be contributing the maximum amount allowed into your TSP (both Traditional and ROTH combined) and any spillover contributions will automatically rollover into TSP Catch-Up. The maximum amount allowed is the percentage of pay or dollar amount which will result in total contributions of the IRS limits (both Traditional and ROTH combined) of \$19,500 (TSP) + \$6,500 (Catch-Up) by the end of the tax year.

For more information on Spillover Method for Catch-Up Contributions to the Thrift Savings Plan rules, refer to the TSP Fact Sheet "Catch-Up Contributions" available on the [Official TSP Catch-Up Contributions Page](#).

- The Self-Service History (Federal & Non-Federal TSP) will remain visible.

SPPS Web:

The system will be modified to

- Determine if the employee will reach 50 during the calendar year.
- Compute the spillover employee deductions based only on TSP Federal plan codes 01, 02, 98, and 99.
 - 01 FEDERAL THRIFT SAVINGS PLAN (FERS)
 - 02 FEDERAL THRIFT SAVINGS PLAN (CSRS)
 - 98 FERS Roth 401(k)
 - 99 CSRS Roth 401(k)
- Currently, employee deductions are computed up to IRS maximum limits. However, the system will be modified to change this computation based on the employee's age. Current limits are \$19,500 (MAX-DEFERAL-AMT) for employees under 50 years of age and \$26,000 (combine MAX-DEFERAL-AMT + CATCH-UP-CONTRIBUTION) for employees who turn 50 years of age anytime during the current calendar year.
- Combined employee deductions/agency contributions up to the IRS maximum limit and this computation will be modified to compute based on the employee's age. If the employee will turn 50 during the calendar year use the MAX-403B-DED-CONTRI field from table 30. Otherwise, continue to use the MAX-401k-DED-CONTRI field.
- If the agency has non-federal plans, the limits will still be enforced as they are currently, and no spillover will occur.

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Administrative Web Systems Branch (AWSB) Requirements

"Not Applicable"

Human Resources Applications Branch (HRAB) Requirements

EmpowHR:

- Under Payroll Documents, document type 126 TSP - Catch-Up/Roth Catch-Up Election will be removed.
- All 126 documents in Ready, Not Applied and Future status will be placed in status 'D' (Hold) in PP26, 2020 and will not be processed, and also, will not be visible on the Worklist screen.
- The 'TSP Catchup Not Applied' selection will be removed from the Work Item Filters dropdown list on the Worklist screen.

Testing Considerations

Dates and records to be swept will need to be modified for CUAT processing.

Signature of Systems Requirements Branch Chief:
/s/ Josie Stovall (acting)

Date:
N/A

Signature of Web Requirements Branch Chief:
/s/ Amanda Nguyen

Date:
12/08/2020

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Appendix 1

Roth and Roth Catch-up R-65 Record Fields

<u>FIELD NAME</u>	<u>POSITION</u>	
R-65-RECORD-IDENT-CODE	1-2	
R-65-PLAN-CODE	3-4	
R-65-SSNO	5-13	
R-65-TS-COVERAGE-CODE	14	
R-65-CATCHUP-PLAN-CODE	15-16	
R-65-DATA-BASE	17-18	
FILLER (SPACES)	19-23	
R-65-RPT-FLAG	24	
R-65-CAS-FLAG	25	
R-65-HST-FLAG	26	
R-65-SCHEDULE-NUMBER-LAST-PD.	27-32	
R-65-PAY-PERIOD-YR	33-34	
R-65-PAY-PERIOD-NUMBER	35-36	
R-65-NAME-EMPLOYEE-LAST	37-53	
R-65-NAME-EMPLOYEE-FIRST	54	
R-65-NAME-EMPLOYEE-MIDDLE	55	
R-65-DEDUCTS-THRIFT-ND	56-61	Roth employee contributions
R-65-DEDUCTS-THRIFT-D	62-67	
R-65-CONTRIB-THRIFT	68-73	
R-65-DEDUCTION-MADE-CODE	74	
R-65-TYPE-PAYMENT	75-76	
R-65-DR-CR-CODE	77	
R-65-ADJUSTMENT-CODE	78	
R-65-BENEFIT-TYPE	79	
R-65-SEP-ACC-TYPE	80	
R-65-BASE-CONTRACT-SAL	81-88	
R-65-TYPE-OF-EMPLOYMENT	89	
R-65-TYPE-APPTMENT-CODE	90-91	
R-65-CURRENT-EMP-STATUS	92-93	
R-65-PCT-FACTOR-NON-DEF	94-101	
R-65-PCT-FACTOR-DEF	102-109	
R-65-TSP-LOAN-IND	110	
R-65-PCT-FACTOR-CONTRIB	111-114	
R-65-LOAN-ID-NUMBER	115-117	
R-65-AGENCY	118-119	
R-65-PP-COV-TA	120-121	
R-65-PP-YR-COV-TA	122-123	
R-65-EMPLOYING-OFFICE	124-127	
R-65-RETIREMENT-COVERAGE-CODE	128	
R-65-CURRENT-GROSS-PAY	129-136	
R-65-AUTOMATIC-CONTRIBUTION	137-142	
R-65-MATCHING-CONTRIBUTION	143-148	
FILLER	149-150	

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Appendix 2

OTA TO PROVIDE UPDATED TMGT TABLE 080 INFORMATIO

TM080I0 TABLE MANAGEMENT INQUIRY TABLE 080 04/09/19
PACS PAYEE ADDRESS PAGE: 000245

ENTER PARTIAL OR COMPLETE KEY: USER-ID: NF730
DATE-CHANGED: 01/05/07

* PLAN-CODE: FI * BENEFIT-TYPE: 2

BEG-EFF-DATE: 12/10/06 LAST-EFF-DATE: 12/31/49 ACTIVE

PAYEE-NAME-NON-FED: JP MORGAN/CHASE BANK

NAME-ADDRESS 1: 1 CHASE PLAZA
NAME-ADDRESS 2:
NAME-ADDRESS 3:
CITY: NEW YORK
STATE: NY ZIP-CODE: 10081 0000
AGENCY/BUREAU: TE
REASON: 331584 TIAA-CREF TEACHERS INS ANNTY
EFT-INDICATOR: 1 TYPE-ACCOUNT: C
ACCOUNT-NO: 304-264059 ROUTING-NUMBER: 021000021
TAXPAYER-ID-NO: 131624203

Appendix 3

TM083I0 TABLE MANAGEMENT INQUIRY TABLE 083 04/09/19
RETIREMENT DESCRIPTION PAGE: 000094

ENTER PARTIAL OR COMPLETE KEY: USER-ID: NF218
DATE-CHANGED: 08/11/04

* RT-PLAN-CODE: 84

BEG-EFF-DATE: 08/08/04 LAST-EFF-DATE: 12/31/49 ACTIVE

RT-BENEFIT-TYPE: 2 RT-DEDUCTION-OASDI-LIMIT: N
RT-DEDUCTION-TYPE: 1 RT-DEDUCTION-AFTER-OASDI (999.9999):
RT-DEDUCTION-RATE (.9999): RT-DEDUCTION-TAX-DEFERRED: Y

CONTRIB	CONTRIB	CONTRIB	CONTRIB	CONTRIB	CONTRIB	CONTRIB
RATE	TYPE	LIMIT	LIMIT-TYPE	FACTOR	SCALE	MAXIMUM
(99999.99999)		(999999.99999)		(9.999)		(99999.99999)
STEP-0: N/A	0	N/A	0	0.000	1	00000.00000
STEP-1: 00000.00000	0	000000.00000	0	0.000	N/A	N/A
STEP-2: 00000.00000	0	000000.00000	0	0.000	N/A	N/A
STEP-3: 00000.00000	0	000000.00000	0	0.000	N/A	N/A

FIDUCIARY-ROUND: FIDUCIARY-RATE: 0.00000 (9.99999)